

5 ways businesses can travel more and spend less in 2023

SMEs led South Africa's corporate travel recovery, but many small businesses now find themselves needing to tighten their belts due to rising travel costs caused by restrained capacity, supply and demand, high fuel costs, and inflation.



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But can businesses afford to cut back on travel when face-to-face contact with their customers gives them a competitive advantage? According to Bonnie Smith, GM Corporate Traveller, they don't have to; they're probably spending unnecessary money on business travel right now, yet there are simple strategies they can use to make significant savings – without crossing rows off their Excel spreadsheet.

Smith says that business travel is often one of the top line items for a business, so it's important for them to keep track of every penny they spend. But few are aware of the surprising ways they overspend – or how to avoid it.

"With rising inflation, higher electricity rates on the horizon, and lost productivity due to loadshedding, it's tempting to cut your travel budget to save money. But that can cost you more in the long run through lost sales or strained client relationships," says Smith.

According to the Global Business Travel Association, a travel management company (TMC) can help companies save between 5% and 50% on travel costs by helping them trim back on areas they are overspending.

These are some surprising ways businesses can avoid overspending on business travel.

Avoid racking up penalties when you book online

Booking a flight online may make you think you're getting a good deal. But what happens if your business meeting has to be rescheduled or you have to cancel your trip at the last minute? Your travel budget will take a hit, as costs or penalties add up when travellers book fares that can't be changed or refunded. A TMC can hold seats, or negotiate 'waivers and favours' on your behalf ... meaning no change fees for SMEs on the move.

Stop relying on the buying power of one

Tapping into the power of 'bulk buying' can be a great way for small businesses to get preferential rates – you'll know this from negotiations with your own supplies. Travel is no different.

TMCs have global buying power and can help you save money on business travel expenses by using their relationships and negotiating power to get discounts from suppliers worldwide. TMCs also often act on behalf of their clients to secure special industry rates that aren't readily available online and which result in significant savings, making better use of your business travel budget.

Make sure you have a contingency plan in place

No one likes to have their plans disrupted, especially when it comes to travel. But what happens if your luggage, which contains important business documents, or personal items arrives late or is lost? The costs associated with sorting out the situation can add up quickly, and you'll feel the pain if you haven't invested in a good travel insurance policy. Again, a TMC can help by advising you on ancillary services, including insurance, that can save your SME money in the long run.

Avoid booking at the last moment

South Africa is suffering from low flight capacity, which means last-minute bookings will cost you dearly if you can get one. Business travellers used to booking flights on an ad hoc basis have found themselves in situations where they are being forced to book an overnight stay to get a seat on the next available flight. Last-minute travel can be expensive too. Booking your flight at least eight to 14 days in advance can save up to 14% on full economy fares, research shows. Change your travellers' booking behaviour so they can be sure to get the right price, class and time of flight they want.

Leave the travel planning to the professionals

Have you ever thought about the hidden costs of booking your own travel? Not only in terms of money but also time and stress? Studies have shown that the average business traveller spends 20 minutes reading hotel reviews before making a booking. And if something goes wrong during the trip, it's not just the cost of rebooking that you need to think about. It's also about the well-being of the traveller. Disrupted travel plans can lead to missed opportunities and reduced productivity, affecting the individual and your company's bottom line.

If you're stuck on the idea of managing your travel in-house, you're missing out on some great benefits and savings, Smith says. "TMCs have years of experience working with different travel suppliers and can get you amazing rates that you wouldn't get on your own. They can also negotiate additional perks like lounge access or early check-in and late check-out."

Don't write off the services of a TMC just because you think you're too small to warrant their services, says Smith— they could end up saving you a lot of money and hassle in the long run.

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